

ANNUAL BUDGET OF
KOUGA LOCAL
MUNICIPALITY

2011/12 TO 2013/14
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Part 1 – Annual Budget

1.1 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on *non-core* and *'nice to have'* items.

The Municipality will embark on implementing a range of revenue collection strategies to optimise the collection of debt owed by consumers. Furthermore, the Municipality will undertake various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 51 and 54 was used to guide the compilation of the 2011/12 MTREF.

The main challenges experienced during the compilation of the 2011/12 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from the Metro and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - *as there will be point where services will no-longer be affordable*;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;

The following budget principles and guidelines directly informed the compilation of the 2011/12 MTREF:

- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- *There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;*

The Operating Budget for 2011/2012 amounts to R483,102,426.21.

Total operating expenditure has grown by 19 per cent or R75 million for the 2011/12 financial year when compared to the 2010/11 Adjustments Budget. For the two outer years, operational revenue and expenditure was increased by 5.3 and 5.5 per cent respectively in line with guidance given by National Treasury.

The capital budget for 2011/12 is R38,151,900. The reduction in capital expenditure is due to affordability constraints in the light of current economic circumstances. The capital programme for the 2012/13 and 2013/14 financial years will decrease until MIG funding has been secured. It should be noted that the Municipality has reached its prudential borrowing limits and there is very little scope to substantially increase these borrowing levels over the medium-term. The repayment of capital and interest (debt services costs) has substantially increased over the past few years. Consequently, the capital budget remains relatively flat over the medium-term.

1.2 Operating Revenue Framework

For Kouga Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following is a high level summary of the 2011/12 MTREF (classified by main revenue source):

The operational revenue of R483,102,426.21 will be sourced as follow:

• Assessment rates	R123,453,174.90
• Electricity	R157,591,947.35
• Water	R45,682,001.07
• Sewerage	R31,682,701.78
• Refuse	R21,074,473.32
• Other income	R57,314,027.79
• Grants and subsidies	R46,304,100.00

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than two thirds of the total revenue mix. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in the expenditure budget.

Property rates are the second largest revenue source totalling 26 per cent. The third largest sources is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers total R46,304,100 in the 2011/12 financial year.

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom and Metro (Water) bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals,

cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.2.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The categories of rateable properties for purposes of levying rates and the rates for the 2011/12 financial year based on a 8 per cent increase from 1 July 2011 is contained in Annexure B

1.2.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. The Metro (NMBM) has increased its bulk tariffs and as a result, Kouga Local Municipality has increased its bulk tariff with 14 per cent from 1 July 2011.

A summary of the tariffs for households (residential) and non-residential can be obtained in Annexure B.

The tariff structure of the 2011/12 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption at a higher rate per 30 day period.

1.2.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 28.9 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2011.

Considering the Eskom increases, the consumer tariff had to be increased by an average of 20.38 per cent to offset the additional bulk purchase cost from 1 July 2011. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2011. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

A summary of the tariffs can be obtained in Annexure B.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the Municipality. The upgrading of the Municipality's electricity network has therefore become a strategic priority, especially the substations and transmission lines.

1.2.4 Sanitation and Impact of Tariff Increases

A tariff increase of 8 per cent for sanitation from 1 July 2011 will be implemented. This is based on the input cost assumptions related to water. It should be noted that electricity costs contributes approximately 20 per cent of waste water treatment input costs, therefore the higher than CPI increase of 8 per cent for sanitation tariffs.

A summary of the tariffs can be obtained in Annexure B.

1.2.5 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributing factors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle.

An 8 per cent increase in the waste removal tariff is proposed from 1 July 2011. Higher increases will not be viable in 2011/12 owing to the overall impact of higher than inflation increases of other services.

A summary of the tariffs can be obtained in Annexure B.

1.3 Operating Expenditure Framework

The Municipality's expenditure framework for the 2011/12 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following is a high level summary of the 2011/12 budget and MTREF (classified per main type of operating expenditure):

The operational expenditure of R483,102,426.21 is split as follow:

- | | |
|---------------------------|-----------------|
| • Remuneration | R175,694,304.20 |
| • Electricity purchases | R124,000,000.00 |
| • Water purchases | R16,490,640.00 |
| • Other general expenses | R131,866,879.00 |
| • Repairs and Maintenance | R35,050,603 |

The budgeted allocation for employee related costs for the 2011/12 equals 36 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.08 per cent for the 2011/12 financial year. As part of the Municipality's cost reprioritisation and cash management strategy, only critical vacancies have been budgeted for. In addition expenditure against overtime was significantly reduced, with provisions against this budget item only being provided for emergency services and other critical functions.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from the Metro (NMBM). The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy of the Municipality. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 5 per cent of operating expenditure.

1.3.1 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. Details relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained within the expenditure budget.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.4 Annual Budget Tables – Annexure A

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget..The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. It is necessary to ensure adequate cash-backing for all material obligations. This cannot be achieved in one financial year.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of

free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means that it is possible to present the operating surplus or deficit of a vote.

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.2 Public inputs

In terms of section 23(1)(a), (2)(a-b) of the MFMA, when the annual budget has been tabled, the municipal council must consider any views of the local community and after considering all such submissions, the council must give the mayor an opportunity to respond to the submissions and if necessary to revise the budget and table amendments for consideration by the council.

The following submissions (Annexure C) were received via public input relating specifically to the budget in response to the advertised draft budget for the 2011/2012 financial year:

- E. Olckers
- B.F. Rheeder
- J.P. Wolhuter
- B. Barnard
- Woodlands Dairy
- Villa Algarve Body Corporate

These submissions are noted with appreciation. Specific concerns raised within these submissions were addressed as follow:

- Repairs and Maintenance budget was increased from an estimated R21 million to R35 million
- A provision for bad debt of 7% has been provided for under the expenditure part of the budget
- A complete list of rates and taxes form part of this budget document
- EMF levy proposed increase of 8% has been decreased to an increase of 5%
- Reasons for tariff increases in excess of the 6% as per the guidance of National Treasury has been provided within this document
- The introduction of the Block Tariffs for Electricity is as per NERSA regulations and guidelines and has been prepared by an consultant

All inputs are to be filed for further reference. All inputs could however not be accommodated at this stage due to various operational reasons or due to the fact that the inputs did not specifically relate to the MTREF for 2011/2012.

2.3 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was complied with on a monthly basis.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed interns undergoing training in various divisions of the Financial Services Department.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2011/12 MTREF in May 2011 directly aligned and informed by the 2011/12 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

The following submission (Annexure D) was received via public input relating specifically to the rates policy in response to the advertised request for inputs for the 2011/2012 financial year:

- o JJZ Innovations BK

This submission is noted with appreciation. However at present the rebates as noted within the policy will remain in effect.

2.4 Municipal Manager's Quality Certificate


I DR. E.M. RANKWANA....., Municipal Manager of Kouga Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name DR. E.M. RANKWANA

Municipal manager of Kouga Local Municipality

Signature

Date


29/06/2011

EC108 Kouga - Table A1 Budget Summary

Description	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousands										
Financial Performance										
Property rates	75,271	89,468	101,249	115,150	-	115,150	-	123,453	129,996	137,146
Service charges	131,438	152,891	179,220	221,245	-	221,245	-	267,461	281,636	297,126
Investment revenue	7,941	10,173	5,602	637	-	637	-	555	584	616
Transfers recognised - operational	35,308	40,085	27,072	38,635	-	38,635	-	46,304	48,758	51,440
Other own revenue	15,441	25,125	80,785	31,987	-	31,987	-	59,629	62,790	66,243
Total Revenue (excluding capital transfers and contributions)	265,399	317,742	393,928	407,654	-	407,654	-	497,402	523,765	552,572
Employee costs	124,121	116,105	129,880	143,634	-	143,634	-	167,517	176,396	186,097
Remuneration of councillors	4,286	5,578	4,103	4,147	-	4,147	-	8,177	8,611	9,084
Depreciation & asset impairment	13,310	13,798	6,848	-	-	-	-	-	-	-
Finance charges	10,426	15,074	8,904	10,444	-	10,444	-	24,295	25,583	26,990
Materials and bulk purchases	50,777	66,532	80,898	111,224	-	111,224	-	140,491	147,937	156,073
Transfers and grants	12,412	13,821	27,072	6,658	-	6,658	-	14,982	15,776	16,644
Other expenditure	86,382	95,582	154,297	95,498	-	95,498	-	127,640	134,405	141,798
Total Expenditure	301,714	326,490	412,002	371,605	-	371,605	-	483,102	508,707	536,686
Surplus/(Deficit)	(36,315)	(8,748)	(18,074)	36,049	-	36,049	-	14,300	15,058	15,886
Transfers recognised - capital	-	-	-	-	-	-	-	23,852	25,116	26,497
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(36,315)	(8,748)	(18,074)	36,049	-	36,049	-	38,152	40,174	42,384
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(36,315)	(8,748)	(18,074)	36,049	-	36,049	-	38,152	40,174	42,384
Capital expenditure & funds sources										
Capital expenditure	-	-	68,169	39,868	-	39,868	-	38,152	26,569	28,030
Transfers recognised - capital	-	-	-	18,168	-	18,168	-	23,852	26,569	28,030
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	68,169	21,700	-	21,700	-	14,300	-	-
Total sources of capital funds	-	-	68,169	39,868	-	39,868	-	38,152	26,569	28,030
Financial position										
Total current assets	-	-	-	-	-	-	-	-	-	-
Total non current assets	-	-	68,169	39,868	-	39,868	-	38,152	26,569	28,030
Total current liabilities	-	-	26,100	18,168	-	18,168	-	23,852	26,569	28,030
Total non current liabilities	-	-	-	-	-	-	-	-	-	-
Community wealth/Equity	-	-	42,069	21,700	-	21,700	-	14,300	-	-
Cash flows										
Net cash from (used) operating	-	-	5,927	18,467	-	18,467	-	12,152	(493)	(521)
Net cash from (used) investing	-	-	-	(18,168)	-	(18,168)	-	(12,152)	809	854
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	-	-	5,927	299	-	299	-	(0)	316	649
Cash backing/surplus reconciliation										
Cash and investments available	-	-	-	-	-	-	-	-	-	-
Application of cash and investments	-	-	52,200	36,336	-	36,336	-	47,704	53,137	56,060
Balance - surplus (shortfall)	-	-	(52,200)	(36,336)	-	(36,336)	-	(47,704)	(53,137)	(56,060)
Asset management										
Asset register summary (WDV)	-	-	68,169	39,868	-	39,868	38,152	38,152	26,569	28,030
Depreciation & asset impairment	13,310	13,798	6,848	-	-	-	-	-	-	-
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	29,115	35,751	-	35,751	35,051	35,051	36,908	38,938
Free services										
Cost of Free Basic Services provided	-	1,150	954	1,041	-	1,041	1,105	1,105	1,105	1,105
Revenue cost of free services provided	-	535,480	393,354	393,441	-	393,441	393,441	393,441	393,441	393,441
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	5,000	5,000	-	5,000	5,000	5,000	5,000	5,000
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	16,000	16,000	16,000	-	16,000	16,000	16,000	16,000	16,000

EC108 Kouga - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		112,566	114,603	184,333	159,204	-	159,204	201,989	212,695	224,393
Executive and council		56	957	141	-	-	-	-	-	-
Budget and treasury office		111,479	112,575	35,975	158,739	-	158,739	175,447	184,746	194,907
Corporate services		1,031	1,071	148,217	465	-	465	26,542	27,949	29,486
<i>Community and public safety</i>		20,421	23,201	17,674	14,577	-	14,577	19,077	20,088	21,193
Community and social services		237	156	3,972	2,724	-	2,724	2,573	2,710	2,859
Sport and recreation		1,738	6,837	45	-	-	-	-	-	-
Public safety		6,795	7,051	11,540	10,025	-	10,025	16,504	17,379	18,334
Housing		11,651	9,157	128	-	-	-	-	-	-
Health		-	-	1,989	1,828	-	1,828	-	-	-
<i>Economic and environmental services</i>		3,211	12,527	11,352	12,297	-	12,297	19,499	20,532	21,661
Planning and development		1,982	2,360	3,266	3,718	-	3,718	7,030	7,403	7,810
Road transport		906	8,202	-	-	-	-	-	-	-
Environmental protection		323	1,965	8,086	8,579	-	8,579	12,469	13,130	13,852
<i>Trading services</i>		33,186	61,828	204,551	221,578	-	221,578	280,689	295,566	311,822
Electricity		-	-	116,857	138,269	-	138,269	159,592	168,050	177,293
Water		-	-	40,917	37,879	-	37,879	57,415	60,458	63,783
Waste water management		18,557	32,129	24,882	26,850	-	26,850	42,608	44,866	47,334
Waste management		14,629	29,699	21,895	18,580	-	18,580	21,074	22,191	23,412
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	169,384	212,159	417,910	407,656	-	407,656	521,254	548,881	579,069
Expenditure - Standard										
<i>Governance and administration</i>		71,505	80,001	136,223	100,931	-	100,931	112,814	118,793	125,326
Executive and council		22,848	20,599	24,332	23,942	-	23,942	25,790	27,156	28,650
Budget and treasury office		36,799	41,602	64,536	46,707	-	46,707	61,091	64,329	67,867
Corporate services		11,858	17,800	47,355	30,282	-	30,282	25,933	27,307	28,809
<i>Community and public safety</i>		44,369	40,517	55,938	63,179	-	63,179	66,123	69,628	73,457
Community and social services		4,597	4,451	27,581	30,082	-	30,082	36,373	38,301	40,407
Sport and recreation		6,151	7,192	2,127	2,675	-	2,675	2,003	2,109	2,225
Public safety		20,514	17,832	19,396	20,907	-	20,907	23,431	24,672	26,029
Housing		13,107	11,042	3,125	3,214	-	3,214	4,317	4,546	4,796
Health		-	-	3,709	6,301	-	6,301	-	-	-
<i>Economic and environmental services</i>		44,904	43,178	36,934	48,220	-	48,220	48,207	50,762	53,554
Planning and development		10,844	10,688	32,180	39,543	-	39,543	39,025	41,093	43,354
Road transport		18,898	19,892	-	-	-	-	-	-	-
Environmental protection		15,162	12,598	4,754	8,677	-	8,677	9,182	9,669	10,201
<i>Trading services</i>		43,724	49,831	182,906	195,024	-	195,024	255,958	269,524	284,348
Electricity		-	-	96,606	118,697	-	118,697	157,446	165,791	174,910
Water		-	-	35,041	33,325	-	33,325	44,041	46,375	48,926
Waste water management		20,414	20,470	23,514	19,219	-	19,219	26,168	27,555	29,071
Waste management		23,310	29,361	27,745	23,783	-	23,783	28,302	29,802	31,442
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	204,502	213,527	412,001	407,354	-	407,354	483,102	508,707	536,686
Surplus/(Deficit) for the year		(35,118)	(1,368)	5,909	302	-	302	38,152	40,174	42,384

EC108 Kouga - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description		Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework			
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	
Revenue - Standard												
Municipal governance and administration			112,566	114,603	184,333	159,204	-	159,204	201,989	212,695	224,393	
Executive and council			56	957	141	-	-	-	-	-	-	
Mayor and Council			56	957	22							
Municipal Manager					119							
Budget and treasury office			111,479	112,575	35,975	158,739		158,739	175,447	184,746	194,907	
Corporate services			1,031	1,071	148,217	465	-	465	26,542	27,949	29,486	
Human Resources			429	688	232							
Information Technology			11	9					7	8	8	
Property Services			591	374	123,658	465		465	535	563	594	
Other Admin					24,327				26,000	27,378	28,884	
Community and public safety			20,421	23,201	17,674	14,577	-	14,577	19,077	20,088	21,193	
Community and social services			237	156	3,972	2,724	-	2,724	2,573	2,710	2,859	
Libraries and Archives			32	28	143	21		21	30	32	33	
Museums & Art Galleries etc			71		17	7		7	5	6	6	
Community halls and Facilities												
Cemeteries & Crematoriums			134	128	427	158		158	176	185	196	
Child Care												
Aged Care												
Other Community					3,385	2,538		2,538	2,362	2,487	2,624	
Other Social												
Sport and recreation			1,738	6,837	45							
Public safety			6,795	7,051	11,540	10,025	-	10,025	16,504	17,379	18,334	
Police			3,177	3,217	11,540	7,593		7,593	16,504	17,379	18,334	
Fire												
Civil Defence												
Street Lighting												
Other			3,618	3,834		2,432		2,432				
Housing			11,651	9,157	128							
Health			-	-	1,989	1,828	-	1,828	-	-	-	
Clinics					1,989	1,828		1,828				
Ambulance												
Other												
Economic and environmental services			3,211	12,527	11,352	12,297	-	12,297	19,499	20,532	21,661	
Planning and development			1,982	2,360	3,266	3,718	-	3,718	7,030	7,403	7,810	
Economic Development/Planning			1,982	2,360	3,266	3,718		3,718	91	96	101	
Town Planning/Building enforcement								6,939	7,307	7,709		
Licensing & Regulation												
Road transport			906	8,202	-	-	-	-	-	-	-	
Roads			148	7,309								
Public Buses												
Parking Garages												
Vehicle Licensing and Testing												
Other			758	893								
Environmental protection			323	1,965	8,086	8,579	-	8,579	12,469	13,130	13,852	
Pollution Control												
Biodiversity & Landscape			323	362								
Other				1,603	8,086	8,579		8,579	12,469	13,130	13,852	
Trading services			33,186	61,828	204,551	221,578	-	221,578	280,689	295,566	311,822	
Electricity			-	-	116,857	138,269	-	138,269	159,592	168,050	177,293	
Electricity Distribution					116,857	138,269		138,269	159,592	168,050	177,293	
Electricity Generation												
Water			-	-	40,917	37,879	-	37,879	57,415	60,458	63,783	
Water Distribution					40,917	37,879		37,879	57,415	60,458	63,783	
Water Storage												
Waste water management			18,557	32,129	24,882	26,850	-	26,850	42,608	44,866	47,334	
Sewerage			18,557	32,129	24,882	26,850		26,850	42,608	44,866	47,334	
Storm Water Management												
Public Toilets												
Waste management			14,629	29,699	21,895	18,580	-	18,580	21,074	22,191	23,412	
Solid Waste			14,629	29,699	21,895	18,580		18,580	21,074	22,191	23,412	
Other			-	-	-	-	-	-	-	-	-	
Air Transport												
Abattoirs												
Tourism												
Forestry												
Markets												
Total Revenue - Standard			2	169,384	212,159	417,910	407,656	-	407,656	521,254	548,881	579,069
Expenditure - Standard												
Municipal governance and administration			71,505	80,001	136,223	100,931	-	100,931	112,814	118,793	125,326	
Executive and council			22,848	20,599	24,332	23,942	-	23,942	25,790	27,156	28,650	
Mayor and Council			22,848	20,599	17,691	16,862		16,862	14,517	15,287	16,128	
Municipal Manager					6,641	7,080		7,080	11,272	11,870	12,522	
Budget and treasury office			36,799	41,602	64,536	46,707		46,707	61,091	64,329	67,867	
Corporate services			11,858	17,800	47,355	30,282	-	30,282	25,933	27,307	28,809	
Human Resources			5,051	10,961	6,765	10,265		10,265	5,228	5,505	5,808	
Information Technology			2,478	2,206		2,586		2,586	3,655	3,848	4,060	
Property Services			3,158	3,418	27,418	3,135		3,135	2,928	3,083	3,252	

Other Admin	1,171	1,215	13,172	14,296		14,296	14,123	14,871	15,689	
Community and public safety	44,369	40,517	55,938	63,179	-	63,179	66,123	69,628	73,457	
Community and social services	4,597	4,451	27,581	30,082	-	30,082	36,373	38,301	40,407	
Libraries and Archives	3,096	2,529	3,007	3,368		3,368	3,673	3,867	4,080	
Museums & Art Galleries etc	111	138	1,097	981		981	579	610	644	
Community halls and Facilities				17,231		17,231				
Cemeteries & Crematoriums	457	415	1,016	1,268		1,268	1,144	1,204	1,270	
Child Care										
Aged Care										
Other Community			20,912	4,773		4,773	29,891	31,476	33,207	
Other Social	933	1,369	1,549	2,461		2,461	1,086	1,143	1,206	
Sport and recreation	6,151	7,192	2,127	2,675		2,675	2,003	2,109	2,225	
Public safety	20,514	17,832	19,396	20,907	-	20,907	23,431	24,672	26,029	
Police	11,753	9,812	3,304	3,308		3,308	14,128	14,877	15,695	
Fire	6,535	5,429	6,337	7,475		7,475	8,971	9,446	9,966	
Civil Defence	27	139								
Street Lighting										
Other	2,199	2,452	9,755	10,124		10,124	332	349	368	
Housing	13,107	11,042	3,125	3,214		3,214	4,317	4,546	4,796	
Health	-	-	3,709	6,301	-	6,301	-	-	-	
Clinics			3,709	6,301		6,301				
Ambulance										
Other										
Economic and environmental services	44,904	43,178	36,934	48,220	-	48,220	48,207	50,762	53,554	
Planning and development	10,844	10,688	32,180	39,543	-	39,543	39,025	41,093	43,354	
Economic Development/Planning	10,844	10,688	32,180	39,543		39,543	9,235	9,725	10,259	
Town Planning/Building enforcement							29,790	31,369	33,094	
Licensing & Regulation										
Road transport	18,898	19,892	-	-	-	-	-	-	-	
Roads	17,846	18,326								
Public Buses										
Parking Garages										
Vehicle Licensing and Testing										
Other	1,052	1,566								
Environmental protection	15,162	12,598	4,754	8,677	-	8,677	9,182	9,669	10,201	
Pollution Control										
Biodiversity & Landscape	474	399								
Other	14,688	12,199	4,754	8,677		8,677	9,182	9,669	10,201	
Trading services	43,724	49,831	182,906	195,024	-	195,024	255,958	269,524	284,348	
Electricity	-	-	96,606	118,697	-	118,697	157,446	165,791	174,910	
Electricity Distribution			96,606	118,697		118,697	157,446	165,791	174,910	
Electricity Generation										
Water	-	-	35,041	33,325	-	33,325	44,041	46,375	48,926	
Water Distribution			35,041	33,325		33,325	44,041	46,375	48,926	
Water Storage										
Waste water management	20,414	20,470	23,514	19,219	-	19,219	26,168	27,555	29,071	
Sewerage	20,414	20,470	23,514	19,219		19,219	26,168	27,555	29,071	
Storm Water Management										
Public Toilets										
Waste management	23,310	29,361	27,745	23,783	-	23,783	28,302	29,802	31,442	
Solid Waste	23,310	29,361	27,745	23,783		23,783	28,302	29,802	31,442	
Other	-	-	-	-	-	-	-	-	-	
Air Transport										
Abattoirs										
Tourism										
Forestry										
Markets										
Total Expenditure - Standard	3	204,502	213,527	412,001	407,354	-	407,354	483,102	508,707	536,686
Surplus/(Deficit) for the year		(35,118)	(1,368)	5,909	302	-	302	38,152	40,174	42,384

EC108 Kouga - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
Revenue by Vote	1									
Vote1 - Governance and Administration		112,566	114,603	184,333	159,204	—	159,204	201,989	212,695	224,393
Vote2 - Community and Public Safety		20,421	23,201	17,674	14,577	—	14,577	19,077	20,088	21,193
Vote3 - Economic and Environmental Services		3,211	12,527	11,352	12,297	—	12,297	19,499	20,532	21,661
Vote4 - Trading Services		33,186	61,828	204,551	221,578	—	221,578	280,689	295,566	311,822
0		—	—	—	—	—	—	—	—	—
0		—	—	—	—	—	—	—	—	—
0		—	—	—	—	—	—	—	—	—
0		—	—	—	—	—	—	—	—	—
0		—	—	—	—	—	—	—	—	—
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0		—	—	—	—	—	—	—	—	—
0		—	—	—	—	—	—	—	—	—
0		—	—	—	—	—	—	—	—	—
0		—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	169,384	212,159	417,910	407,656	—	407,656	521,254	548,881	579,069
Expenditure by Vote to be appropriated	1									
Vote1 - Governance and Administration		71,505	80,001	136,223	100,931	—	100,931	112,814	118,793	125,326
Vote2 - Community and Public Safety		44,369	40,517	55,938	63,179	—	63,179	66,123	69,628	73,457
Vote3 - Economic and Environmental Services		44,904	43,178	36,934	48,220	—	48,220	48,207	50,762	53,554
Vote4 - Trading Services		43,724	49,831	182,906	195,024	—	195,024	255,958	269,524	284,348
0		—	—	—	—	—	—	—	—	—
0		—	—	—	—	—	—	—	—	—
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0		—	—	—	—	—	—	—	—	—
0		—	—	—	—	—	—	—	—	—
0		—	—	—	—	—	—	—	—	—
Total Expenditure by Vote	2	204,502	213,527	412,001	407,354	—	407,354	483,102	508,707	536,686
Surplus/(Deficit) for the year	2	(35,118)	(1,368)	5,909	302	—	302	38,152	40,174	42,384

EC108 Kouga - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

[illegible]

EC108 Kouga - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	169,384	212,159	417,910	407,656	-	407,656	521,254	548,881	579,069

EC108 Kouga - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

[illegible]

EC108 Kouga - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

[illegible]

EC108 Kouga - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand	1										
Revenue By Source											
Property rates	2	74,255	82,925	101,149	115,000	–	115,000	–	123,453	129,996	137,146
Property rates - penalties & collection charges		1,016	6,543	100	150		150				
Service charges - electricity revenue	2	68,724	84,691	106,753	137,936	–	137,936	–	157,592	165,944	175,071
Service charges - water revenue	2	31,093	32,774	33,645	37,879	–	37,879	–	46,171	48,618	51,292
Service charges - sanitation revenue	2	17,052	19,305	19,481	26,850	–	26,850	–	32,000	33,696	35,549
Service charges - refuse revenue	2	14,569	16,121	19,341	18,580	–	18,580	–	21,074	22,191	23,412
Service charges - other									10,624	11,187	11,802
Rental of facilities and equipment		445	445	553	450		450		540	569	600
Interest earned - external investments		7,941	10,173	5,602	637		637		555	584	616
Interest earned - outstanding debtors		2,078	2,615	3,170	3,105		3,105		7,689	8,096	8,541
Dividends received											
Fines		3,192	3,218	3,454	1,411		1,411		2,377	2,504	2,641
Licences and permits		2,491	2,501	5,879	5,996		5,996		13,197	13,896	14,661
Agency services				23							
Transfers recognised - operational		35,308	40,085	27,072	38,635		38,635		46,304	48,758	51,440
Other revenue	2	7,235	16,346	67,706	21,025	–	21,025	–	9,826	10,347	10,916
Gains on disposal of PPE									26,000	27,378	28,884
Total Revenue (excluding capital transfers and contributions)		265,399	317,742	393,928	407,654	–	407,654	–	497,402	523,765	552,572
Expenditure By Type											
Employee related costs	2	124,121	116,105	129,880	143,634	–	143,634	–	167,517	176,396	186,097
Remuneration of councillors		4,286	5,578	4,103	4,147		4,147		8,177	8,611	9,084
Debt impairment	3	3,509	6,279	11,864					25,379	26,724	28,194
Depreciation & asset impairment	2	13,310	13,798	6,848	–	–	–	–	–	–	–
Finance charges		10,426	15,074	8,904	10,444		10,444		24,295	25,583	26,990
Bulk purchases	2	50,777	66,532	80,898	111,224	–	111,224	–	140,491	147,937	156,073
Other materials	8										
Contracted services		–	–	–	1,167	–	1,167	–	10,867	11,443	12,073
Transfers and grants		12,412	13,821	27,072	6,658		6,658		14,982	15,776	16,644
Other expenditure	4, 5	82,873	89,303	142,433	94,331	–	94,331	–	91,394	96,238	101,531
Loss on disposal of PPE											
Total Expenditure		301,714	326,490	412,002	371,605	–	371,605	–	483,102	508,707	536,686
Surplus/(Deficit)		(36,315)	(8,748)	(18,074)	36,049	–	36,049	–	14,300	15,058	15,886
Transfers recognised - capital									23,852	25,116	26,497
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(36,315)	(8,748)	(18,074)	36,049	–	36,049	–	38,152	40,174	42,384
Taxation											
Surplus/(Deficit) after taxation		(36,315)	(8,748)	(18,074)	36,049	–	36,049	–	38,152	40,174	42,384
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(36,315)	(8,748)	(18,074)	36,049	–	36,049	–	38,152	40,174	42,384
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(36,315)	(8,748)	(18,074)	36,049	–	36,049	–	38,152	40,174	42,384

EC108 Kouga - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote1 - Governance and Administration		-	-	-	-	-	-	-	-	-	-
Vote2 - Community and Public Safety		-	-	-	-	-	-	-	-	-	-
Vote3 - Economic and Environmental Services		-	-	-	-	-	-	-	-	-	-
Vote4 - Trading Services		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote1 - Governance and Administration		-	-	5,007	-	-	-	-	-	-	-
Vote2 - Community and Public Safety		-	-	11,050	4,700	-	4,700	-	3,500	-	-
Vote3 - Economic and Environmental Services		-	-	22,662	1,500	-	1,500	-	3,500	-	-
Vote4 - Trading Services		-	-	29,450	33,668	-	33,668	-	31,152	26,569	28,030
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	68,169	39,868	-	39,868	-	38,152	26,569	28,030
Total Capital Expenditure - Vote		-	-	68,169	39,868	-	39,868	-	38,152	26,569	28,030
Capital Expenditure - Standard											
Governance and administration		-	-	5,007	-	-	-	-	-	-	-
Executive and council				240							
Budget and treasury office				1,500							
Corporate services				3,267							
Community and public safety		-	-	11,050	4,700	-	4,700	-	3,500	-	-
Community and social services				5,810	2,000		2,000		3,000		
Sport and recreation									500		
Public safety				1,920	2,700		2,700				
Housing				2,970							
Health				350							
Economic and environmental services		-	-	22,662	1,500	-	1,500	-	3,500	-	-
Planning and development				9,738							
Road transport					1,500		1,500		3,500		
Environmental protection				12,924							
Trading services		-	-	29,450	33,668	-	33,668	-	31,152	26,569	28,030
Electricity				5,750	8,350		8,350		2,300		
Water				3,800	8,998		8,998		5,000	8,519	17,000
Waste water management				16,200	16,320		16,320		23,852	18,050	11,030
Waste management				3,700							
Other											
Total Capital Expenditure - Standard	3	-	-	68,169	39,868	-	39,868	-	38,152	26,569	28,030
Funded by:											
National Government					18,168		18,168		23,852	26,569	28,030
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	-	-	-	18,168	-	18,168	-	23,852	26,569	28,030
Public contributions & donations	5										
Borrowing	6										
Internally generated funds				68,169	21,700		21,700		14,300		
Total Capital Funding	7	-	-	68,169	39,868	-	39,868	-	38,152	26,569	28,030

EC108 Kouga - Table A6 Budgeted Financial Position

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand											
ASSETS											
Current assets											
Cash											
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	-	-	-	-	-	-	-	-	-	-
Other debtors											
Current portion of long-term receivables											
Inventory	2										
Total current assets		-	-	-	-	-	-	-	-	-	-
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	-	-	68,169	39,868	-	39,868	-	38,152	26,569	28,030
Agricultural											
Biological											
Intangible											
Other non-current assets											
Total non current assets		-	-	68,169	39,868	-	39,868	-	38,152	26,569	28,030
TOTAL ASSETS		-	-	68,169	39,868	-	39,868	-	38,152	26,569	28,030
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits											
Trade and other payables	4	-	-	26,100	18,168	-	18,168	-	23,852	26,569	28,030
Provisions											
Total current liabilities		-	-	26,100	18,168	-	18,168	-	23,852	26,569	28,030
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		-	-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES		-	-	26,100	18,168	-	18,168	-	23,852	26,569	28,030
NET ASSETS	5	-	-	42,069	21,700	-	21,700	-	14,300	-	-
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)				42,069	21,700		21,700		14,300		
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	-	-	42,069	21,700	-	21,700	-	14,300	-	-

EC108 Kouga - Table A7 Budgeted Cash Flows

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other	1			390,856	366,291		366,291		425,098	434,340	458,227
Government - operating				27,072	41,364		41,364		46,304	48,758	51,440
Government - capital					18,168		18,168		23,852	25,116	26,497
Interest											
Dividends											
Payments											
Suppliers and employees	1			(376,025)	(390,254)		(390,254)		(458,807)	(483,124)	(509,696)
Finance charges				(8,904)	(10,444)		(10,444)		(24,295)	(25,583)	(26,990)
Transfers and Grants				(27,072)	(6,658)		(6,658)				
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	5,927	18,467	-	18,467	-	12,152	(493)	(521)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE					21,700		21,700		26,000	27,378	28,884
Decrease (increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets					(39,868)		(39,868)		(38,152)	(26,569)	(28,030)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	(18,168)	-	(18,168)	-	(12,152)	809	854
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing											
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	-	5,927	299	-	299	-	(0)	316	333
Cash/cash equivalents at the year begin:	2			-						(0)	316
Cash/cash equivalents at the year end:	2	-	-	5,927	299	-	299	-	(0)	316	649

EC108 Kouga - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	–	–	5,927	299	–	299	–	(0)	316	649
Other current investments > 90 days		–	–	(5,927)	(299)	–	(299)	–	0	(316)	(649)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		–	–	–	–	–	–	–	–	–	–
Application of cash and investments											
Unspent conditional transfers		–	–	26,100	18,168	–	18,168	–	23,852	26,569	28,030
Unspent borrowing											
Statutory requirements	2										
Other working capital requirements	3	–	–	26,100	18,168	–	18,168	–	23,852	26,569	28,030
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		–	–	52,200	36,336	–	36,336	–	47,704	53,137	56,060
Surplus(shortfall)		–	–	(52,200)	(36,336)	–	(36,336)	–	(47,704)	(53,137)	(56,060)

EC108 Kouga - Table A9 Asset Management

Table 7: Asset Management										
Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	-	-	68,169	39,868	-	39,868	38,152	26,569	28,030
Infrastructure - Road transport		-	-	-	1,500	-	1,500	3,500	-	-
Infrastructure - Electricity		-	-	5,750	8,350	-	8,350	2,300	-	-
Infrastructure - Water		-	-	3,800	8,998	-	8,998	5,000	8,519	17,000
Infrastructure - Sanitation		-	-	16,200	16,320	-	16,320	23,852	18,050	11,030
Infrastructure - Other		-	-	3,700	-	-	-	-	-	-
Infrastructure		-	-	29,450	35,168	-	35,168	34,652	26,569	28,030
Community		-	-	38,719	4,700	-	4,700	3,500	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	1,500	-	1,500	3,500	-	-
Infrastructure - Electricity		-	-	5,750	8,350	-	8,350	2,300	-	-
Infrastructure - Water		-	-	3,800	8,998	-	8,998	5,000	8,519	17,000
Infrastructure - Sanitation		-	-	16,200	16,320	-	16,320	23,852	18,050	11,030
Infrastructure - Other		-	-	3,700	-	-	-	-	-	-
Infrastructure		-	-	29,450	35,168	-	35,168	34,652	26,569	28,030
Community		-	-	38,719	4,700	-	4,700	3,500	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	-	-	68,169	39,868	-	39,868	38,152	26,569	28,030
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5			-	1,500		1,500	3,500		
Infrastructure - Electricity				5,750	8,350		8,350	2,300		
Infrastructure - Water				3,800	8,998		8,998	5,000	8,519	17,000
Infrastructure - Sanitation				16,200	16,320		16,320	23,852	18,050	11,030
Infrastructure - Other				3,700	-		-	-	-	-
Infrastructure		-	-	29,450	35,168	-	35,168	34,652	26,569	28,030
Community								3,000		
Heritage assets										
Investment properties		-	-	-	-	-	-	-	-	-
Other assets				38,719	4,700		4,700	500		
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	68,169	39,868	-	39,868	38,152	26,569	28,030
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		13,310	13,798	6,848	-	-	-	-	-	-
<u>Repairs and Maintenance by Asset Class</u>	3	-	-	29,115	35,751	-	35,751	35,051	36,908	38,938
Infrastructure - Road transport		-	-	5,533	-	-	-	2,923	3,078	3,247
Infrastructure - Electricity		-	-	3,048	3,722	-	3,722	8,250	8,687	9,165
Infrastructure - Water		-	-	3,960	5,560	-	5,560	3,900	4,107	4,333
Infrastructure - Sanitation		-	-	2,054	3,381	-	3,381	2,011	2,118	2,234
Infrastructure - Other		-	-	2,386	2,439	-	2,439	2,553	2,688	2,836
Infrastructure		-	-	16,981	15,102	-	15,102	19,637	20,678	21,815
Community		-	-	4,132	12,333	-	12,333	3,863	4,068	4,291
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	8,002	8,316	-	8,316	11,550	12,163	12,832
TOTAL EXPENDITURE OTHER ITEMS	6, 7	13,310	13,798	35,963	35,751	-	35,751	35,051	36,908	38,938
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		0.0%	0.0%	42.7%	89.7%	0.0%	89.7%	91.9%	138.9%	138.9%
Renewal and R&M as a % of PPE		0.0%	0.0%	43.0%	90.0%	0.0%	90.0%	92.0%	139.0%	139.0%

EC108 Kouga - Table A10 Basic service delivery measurement

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Household service targets (000)	1									
Water:										
Piped water inside dwelling		5	5	8	8		8	8	8	8
Piped water inside yard (but not in dwelling)				7	7		7	7	7	7
Using public tap (at least min.service level)	2			2	2		2	2	2	2
Other water supply (at least min.service level)	4			2	2		2	2	2	2
Minimum Service Level and Above sub-total		5	5	19	19	-	19	19	19	19
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	5	5	19	19	-	19	19	19	19
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		5	5	10	10		10	10	10	10
Flush toilet (with septic tank)				2	2		2	2	2	2
Chemical toilet										
Pit toilet (ventilated)				2	2		2	2	2	2
Other toilet provisions (> min.service level)										
Minimum Service Level and Above sub-total		5	5	14	14	-	14	14	14	14
Bucket toilet				3	3		3	3	3	3
Other toilet provisions (< min.service level)				2	2		2	2	2	2
No toilet provisions										
Below Minimum Service Level sub-total		-	-	5	5	-	5	5	5	5
Total number of households	5	5	5	19	19	-	19	19	19	19
Energy:										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)			16	16	16		16	16	16	16
Minimum Service Level and Above sub-total		-	16	16	16	-	16	16	16	16
Electricity (< min.service level)										
Electricity - prepaid (< min.service level)										
Other energy sources										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	16	16	16	-	16	16	16	16
Refuse:										
Removed at least once a week										
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal			16	16	16		16	16	16	16
Below Minimum Service Level sub-total		-	16	16	16	-	16	16	16	16
Total number of households	5	-	16	16	16	-	16	16	16	16
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)			6	4	4		4	4	4	4
Sanitation (free minimum level service)			6	4	4		4	4	4	4
Electricity/other energy (50kwh per household per month)			6	4	4		4	4	4	4
Refuse (removed at least once a week)			6	4	4		4	4	4	4
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)			156	121	127		127	135	135	135
Sanitation (free sanitation service)			424	353	373		373	396	396	396
Electricity/other energy (50kwh per household per month)			170	147	189		189	201	201	201
Refuse (removed once a week)			400	333	352		352	373	373	373
Total cost of FBS provided (minimum social package)		-	1,150	954	1,041	-	1,041	1,105	1,105	1,105
Highest level of free service provided										
Property rates (R value threshold)			15,000	100,000	100,000		100,000	100,000	100,000	100,000
Water (kilolitres per household per month)			6	6	6		6	6	6	6
Sanitation (kilolitres per household per month)			3	3	3		3	3	3	3
Sanitation (Rand per household per month)			71	81	86		86	86	86	86
Electricity (kwh per household per month)			50	50	50		50	50	50	50
Refuse (average litres per week)			67	76	81		81	81	81	81
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)			89,055	65,400	65,400		65,400	65,400	65,400	65,400
Property rates (other exemptions, reductions and rebates)			445,275	327,000	327,000		327,000	327,000	327,000	327,000
Water			156	121	127		127	127	127	127
Sanitation			424	353	373		373	373	373	373
Electricity/other energy			170	147	189		189	189	189	189
Refuse			400	333	352		352	352	352	352
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6	-	535,480	393,354	393,441	-	393,441	393,441	393,441	393,441